




MEMORANDUM FOR: ASSISTANT REGIONAL ADMINISTRATORS
FOR PUBLIC BUILDINGS SERVICE
1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP

REGIONAL DIRECTORS, PROPERTY MANAGEMENT DIV.
1PC, 2PC, 3PC, 4PC, 5PC, 6PC, 7PC, 8PC, 9PC, 10PC,
WPC

FROM: EDWARD A. FEINER
CHIEF ARCHITECT 

DATE: April 11, 2002

SUBJECT: Capital Project Performance

The Office of the Chief Architect in conjunction with the Office of Business Performance hosted a conference in October 2001. This meeting was planned to help identify issues that are driving capital projects outside the commitments made in prospectuses. LMI facilitated the group of experienced GSA project managers. They divided into groups focused on planning, design, and construction for brainstorming and discussion purposes.

A key outcome was to develop recommendations to address the issues. The results were then presented to Mr. Moravec on the last day. Following are the recommendations and highlights from that conference.

Planning: Improved project planning will have the most impact on project success. The OCA is providing several tools and recommendations to the regions, which should improve this area.

1. The Program Development Study (PDS) is the foundation of a project. The new PDS Guide to be issued shortly should improve the depth and quality of the PDS.
2. The Project Support Cost Tool is now available and provides a matrix of associated costs needed for a comprehensive project. This tool will help avoid incomplete scopes and specifically inadequate funds to provide the scope of services GSA now requires.
3. In 2001 the CII (Construction Industry Institute) best practice, Pre-Project Planning, utilizing the tool Project Definition Rating Index, was provided to all regions. This tool facilitates good communication and planning between Portfolio, Property Development, and Property Management which is essential to project success.

4. Regions should create a project champion or dedicated liaison to Portfolio to help address technical issues during the planning phase.
5. Project goals and objectives should be created and signed by Regional Stakeholders (such as Portfolio and Property Development) and provided with the Design Prospectus submission. This is required in the FY2004 submission to the office of Portfolio Management.
6. The Regions currently develop and provide a Project Management Plan for all projects prior to submitting the Design Prospectus and update and resubmit it with the Construction Prospectus.
7. Regions should create a budget and set aside funds for timely and comprehensive PDS due diligence and Technical Studies.
8. Regions should set the deadlines for design and construction changes in the tenant OA.
9. All regions should have correct and current data in the Project Information Portal (PIP). This information will be used by Central Office to confirm the status of projects as compared to the project pro forma baseline throughout the life of the project.
10. OCA will provide training in courthouse project benchmarks to clearly identify what is included in them and verify that they cover all the costs associated with the design guides, security guides, courts guide, etc.

Site: An otherwise well-planned project can be derailed by complications with the site acquisition. These projects rarely get back on track.

1. Development of a site contingency fund in Central Office was proposed by the attendees, but has not been implemented.
2. A site acquisition schedule template which should help project teams plan site acquisitions realistically and prompt them to not overlook key steps is included on the Project Management website.
3. Advanced site funding separate from design funding has been authorized on several projects and should be considered.

Design: Another area with substantial impact on budget and schedule success is the quality of the design documents. A/E selections appropriately focus on the design excellence of a firm but the selection process should include quality control as an evaluation factor.

1. All A/E CBD announcements shall include the requirement that the A/E address their quality control program as part of their phase II submission for selection.
2. The A/E contracts must contain definitive language for quality reviews, schedule, and budget with A/E payments tied to their accomplishment.
3. It is strongly recommended to stand down at 65% to verify all project requirements are being met, coordinate all disciplines and validate the A/E estimate.
4. Independent cost estimates and reviews, by contractors or others than the design firm, are required to obtain realistic estimates and better quality construction documents.

5. The A/E shall create project cost models early during the schematic phase to provide realistic expectations of the various concepts being offered.
6. Art in Architecture must be integrated with design during concepts.
7. Central Office reviews must be scheduled a minimum of 60 days in advance to ensure the reviews occur when required in the project schedule.
8. Project teams should consider providing incentives in the AE contract for meeting quality and schedule goals.

Construction: This is the area involving the most dollars and therefore the greatest potential loss. Time/schedule is critical. Minor changes can escalate into significant cost and potential claims. Current source selection contracts are improving the quality of contractors being hired, which is improving performance.

1. OCA will develop this year a new schedule specification utilizing a schedule/claims consultant.
2. The construction site must be properly staffed to ensure timely response to contractor issues. The A/E should have full time onsite staff for major projects and/or during critical phases.
3. Provide a fulltime (GSA or Contract) scheduler on major projects.
4. Review the construction management contract to ensure all services needed are included.
5. Hold customers accountable for all costs (actual, M&I, construction impact, and rent impact) associated with a requested change.
6. Set up a separate claims team when needed. The onsite staff cannot complete the project on time and deal with claims. Use the national IDIQ contracts for claims assistance.
7. Regions/Project Managers should work with Regional Counsel throughout all project phases, make OCA aware of significant/litigious issues as early as possible and where appropriate aggressively pursue counterclaims.
8. Regional project management personnel should need to attend the Scheduling and Claims courses being provided by OCA, Spring of 2002.
9. This year OCA will develop a formal program for building turnover with Property Management.

In summary, the strategy outlined above can and will raise GSA's performance in on time and within budget award winning projects. These recommendations were developed and reviewed by project managers from all regions. Their expertise and broad experience in major construction is invaluable to GSA and their time and ideas in helping create this document are appreciated.